

1 mutually agreed to by the employer and the covered individual and
2 disclosed to the division by the employer.

3 b. The covered individual shall provide the employer with
4 notice of the period of family temporary disability leave with
5 respect to birth or adoption not less than 30 days before the leave
6 commences, unless it commences while the individual is receiving
7 unemployment benefits, in which case the covered individual shall
8 notify the division. The amount of benefits shall be reduced by two
9 weeks worth of benefits if the individual does not provide notice to
10 an employer as required by this subsection b., unless the time of the
11 leave is unforeseeable or the time of the leave changes for
12 unforeseeable reasons.

13 c. Family temporary disability leave taken because of the birth
14 or placement for adoption of a child may be taken at any time
15 within a year after the date of the birth or placement for adoption.

16
17 ~~13. (New section)~~ a. The Commissioner of Labor and
18 Workforce Development shall issue and make available to the
19 public, not later than December 31, 2010, and each subsequent year,
20 annual reports providing data on temporary disability benefits,
21 including separate data for claims involving pregnancy and
22 childbirth, and family temporary disability benefits, including
23 separate data for each of the following categories of claims: care of
24 newborn children; care of newly adopted children; care of sick
25 children; care of sick spouses, and care of other sick family
26 members. The reports shall include, for each category of claims,
27 the number of workers receiving the benefits, the amount of
28 benefits paid, the average duration of benefits, the average weekly
29 benefit, and, in the case of family temporary disability benefits, any
30 reported amount of sick leave, vacation or other fully paid time
31 which resulted in reduced benefit duration. The report shall provide
32 data by gender and by any other demographic factors determined to
33 be relevant by the commissioner. The reports shall also provide, for
34 all temporary disability benefits and for all family temporary
35 disability benefits, the total costs of benefits and the total cost of
36 administration, the portion of benefits for claims during
37 unemployment, and the total revenues from: employer assessments,
38 where applicable; employee assessments; and other sources.

39 b. The commissioner may, in his discretion, conduct surveys
40 and other research regarding, and include in the annual reports
41 descriptions and evaluations of, the impact and potential future
42 impact of the provisions of P.L. , c. (C.) (pending before the
43 Legislature as this bill) on the State disability benefits fund, and
44 other effects of those provisions, including the costs and benefits
45 resulting from the provisions of P.L. , c. (C.) (pending before
46 the Legislature as this bill) for:

47 (1) Employees and their families, including surveys and
48 evaluations of: what portion of the total number of employees

1 taking leave would not have taken leave, or would have taken less
2 leave, without the availability of benefits; what portion of
3 employees return to work after receiving benefits and what portion
4 are not permitted to return to work; and what portion of employees
5 who are eligible for benefits do not claim or receive them and why
6 they do not;

7 (2) Employers, including benefits such as reduced training and
8 other costs related to reduced turnover of personnel, and increased
9 affordability of family temporary disability leave insurance through
10 the State plan, with special attention given to small businesses; and

11 (3) The public, including savings caused by any reduction in the
12 number of people receiving public assistance.

13 c. The total amount of any expenses which the commissioner
14 determines are necessary to carry out its duties pursuant to this
15 section shall be charged to the Family Temporary Disability Leave
16 Account of the State disability benefits fund, except that the amount
17 shall in no case exceed \$150,000 during any fiscal year.

18
19 u.I 14 R.S.43:21-4 is amended to read as follows:

20 43:21-4. Benefit eligibility conditions. An unemployed
21 individual shall be eligible to receive benefits with respect to any
22 week only if:

23 (a) The individual has filed a claim at an unemployment
24 insurance claims office and thereafter continues to report at an
25 employment service office or unemployment insurance claims
26 office, as directed by the division in accordance with such
27 regulations as the division may prescribe, except that the division
28 may, by regulation, waive or alter either or both of the requirements
29 of this subsection as to individuals attached to regular jobs, and as
30 to such other types of cases or situations with respect to which the
31 division finds that compliance with such requirements would be
32 oppressive, or would be inconsistent with the purpose of this act;
33 provided that no such regulation shall conflict with subsection (a) of
34 R.S.43:21-3.

35 (b) The individual has made a claim for benefits in accordance
36 with the provisions of subsection (a) of R.S.43:21-6.

37 (c) (1) The individual is able to work, and is available for work,
38 and has demonstrated to be actively seeking work, except as
39 hereinafter provided in this subsection or in subsection (f) of this
40 section.

41 (2) The director may modify the requirement of actively seeking
42 work if such modification of this requirement is warranted by
43 economic conditions.

44 (3) No individual, who is otherwise eligible, shall be deemed
45 ineligible, or unavailable for work, because the individual is on
46 vacation, without pay, during said week, if said vacation is not the
47 result of the individual's own action as distinguished from any

1 collective action of a collective bargaining agent or other action
2 beyond the individual's control.

3 (4) (A) Subject to such limitations and conditions as the division
4 may prescribe, an individual, who is otherwise eligible, shall not be
5 deemed unavailable for work or ineligible because the individual is
6 attending a training program approved for the individual by the
7 division to enhance the individual's employment opportunities or
8 because the individual failed or refused to accept work while
9 attending such program.

10 (B) For the purpose of this paragraph (4), any training program
11 shall be regarded as approved by the division for the individual if
12 the program and the individual meet the following requirements:

13 (i) The training is for a labor demand occupation and is likely to
14 enhance the individual's marketable skills and earning power;

15 (ii) The training is provided by a competent and reliable private
16 or public entity approved by the Commissioner of Labor and
17 Workforce Development pursuant to the provisions of section 8 of
18 the "1992 New Jersey Employment and Workforce Development
19 Act," P.L.1992, c.43 (C.34:15D-8);

20 (iii) The individual can reasonably be expected to complete the
21 program, either during or after the period of benefits;

22 (iv) The training does not include on the job training or other
23 training under which the individual is paid by an employer for work
24 performed by the individual during the time that the individual
25 receives benefits; and

26 (v) The individual enrolls in vocational training, remedial
27 education or a combination of both on a full-time basis.

28 (C) If the requirements of subparagraph (B) of this paragraph (4)
29 are met, the division shall not withhold approval of the training
30 program for the individual for any of the following reasons:

31 (i) The training includes remedial basic skills education
32 necessary for the individual to successfully complete the vocational
33 component of the training;

34 (ii) The training is provided in connection with a program under
35 which the individual may obtain a college degree, including a post-
36 graduate degree;

37 (iii) The length of the training period under the program; or

38 (iv) The lack of a prior guarantee of employment upon
39 completion of the training.

40 (D) For the purpose of this paragraph (4), "labor demand
41 occupation" means an occupation for which there is or is likely to
42 be an excess of demand over supply for adequately trained workers,
43 including, but not limited to, an occupation designated as a labor
44 demand occupation by the [New Jersey] Center for Occupational
45 Employment Information [Coordinating Committee] pursuant to
46 the provisions of subsection [h.] d. of section [1 of P.L.1987, c.457
47 (C.34:1A-76) or section 12 of P.L.1992, c.43 (C.34:1A-78)] 27 of
48 P.L.2005, c.354 (C.34:1A-86).

1 (5) An unemployed individual, who is otherwise eligible, shall
2 not be deemed unavailable for work or ineligible solely by reason of
3 the individual's attendance before a court in response to a summons
4 for service on a jury.

5 (6) An unemployed individual, who is otherwise eligible, shall
6 not be deemed unavailable for work or ineligible solely by reason of
7 the individual's attendance at the funeral of an immediate family
8 member, provided that the duration of the attendance does not
9 extend beyond a two-day period.

10 For purposes of this paragraph, "immediate family member"
11 includes any of the following individuals: father, mother, mother-
12 in-law, father-in-law, grandmother, grandfather, grandchild, spouse,
13 child, child placed by the Division of Youth and Family Services in
14 the Department of Children and Families, sister or brother of the
15 unemployed individual and any relatives of the unemployed
16 individual residing in the unemployed individual's household.

17 (7) No individual, who is otherwise eligible, shall be deemed
18 ineligible or unavailable for work with respect to any week because,
19 during that week, the individual fails or refuses to accept work
20 while the individual is participating on a full-time basis in self-
21 employment assistance activities authorized by the division,
22 whether or not the individual is receiving a self-employment
23 allowance during that week.

24 (8) Any individual who is determined to be likely to exhaust
25 regular benefits and need reemployment services based on
26 information obtained by the worker profiling system shall not be
27 eligible to receive benefits if the individual fails to participate in
28 available reemployment services to which the individual is referred
29 by the division or in similar services, unless the division determines
30 that:

31 (A) The individual has completed the reemployment services; or

32 (B) There is justifiable cause for the failure to participate, which
33 shall include participation in employment and training, self-
34 employment assistance activities or other activities authorized by
35 the division to assist reemployment or enhance the marketable skills
36 and earning power of the individual and which shall include any
37 other circumstance indicated pursuant to this section in which an
38 individual is not required to be available for and actively seeking
39 work to receive benefits.

40 (9) An unemployed individual, who is otherwise eligible, shall
41 not be deemed unavailable for work or ineligible solely by reason of
42 the individual's work as a board worker for a county board of
43 elections on an election day.

44 (d) With respect to any benefit year commencing before January
45 1, 2002, the individual has been totally or partially unemployed for
46 a waiting period of one week in the benefit year which includes that
47 week. When benefits become payable with respect to the third
48 consecutive week next following the waiting period, the individual

1 shall be eligible to receive benefits as appropriate with respect to
2 the waiting period. No week shall be counted as a week of
3 unemployment for the purposes of this subsection:

4 (1) If benefits have been paid, or are payable with respect
5 thereto; provided that the requirements of this paragraph shall be
6 waived with respect to any benefits paid or payable for a waiting
7 period as provided in this subsection;

8 (2) If it has constituted a waiting period week under the
9 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
10 et seq.);

11 (3) Unless the individual fulfills the requirements of subsections
12 (a) and (c) of this section;

13 (4) If with respect thereto, claimant was disqualified for benefits
14 in accordance with the provisions of subsection (d) of R.S.43:21-5.

15 The waiting period provided by this subsection shall not apply to
16 benefit years commencing on or after January 1, 2002. An
17 individual whose total benefit amount was reduced by the
18 application of the waiting period to a claim which occurred on or
19 after January 1, 2002 and before the effective date of P.L.2002,
20 c.13, shall be permitted to file a claim for the additional benefits
21 attributable to the waiting period in the form and manner prescribed
22 by the division, but not later than the 180th day following the
23 effective date of P.L.2002, c.13 unless the division determines that
24 there is good cause for a later filing.

25 (e) (1)(Deleted by amendment, P.L.2001, c.17).

26 (2) [With respect to benefit years commencing on or after
27 January 1, 1996 and before January 7, 2001, except as otherwise
28 provided in paragraph (3) of this subsection, the individual has,
29 during his base year as defined in subsection (c) of R.S.43:21-19:

30 (A) Established at least 20 base weeks as defined in paragraph
31 (2) of subsection (t) of R.S.43:21-19; or

32 (B) If the individual has not met the requirements of
33 subparagraph (A) of this paragraph (2), earned remuneration not
34 less than an amount 12 times the Statewide average weekly
35 remuneration paid to workers, as determined under R.S.43:21-3(c),
36 which amount shall be adjusted to the next higher multiple of \$100
37 if not already a multiple thereof; or

38 If the individual has not met the requirements of subparagraph
39 (A) or (B) of this paragraph (2), earned remuneration not less than
40 an amount 1,000 times the minimum wage in effect pursuant to
41 section 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the
42 calendar year preceding the calendar year in which the benefit year
43 commences, which amount shall be adjusted to the next higher
44 multiple of \$100 if not already a multiple thereof.] (Deleted by
45 amendment, P.L._____, c._____) (pending before the legislature as
46 this bill).

47 [(3)With respect to benefit years commencing before January 7,
48 2001, notwithstanding the provisions of paragraph (2) of this

1 subsection, an unemployed individual claiming benefits on the basis
2 of service performed in the production and harvesting of
3 agricultural crops shall, subject to the limitations of subsection (i)
4 of R.S.43:21-19, be eligible to receive benefits if during his base
5 year, as defined in subsection of R.S.43:21-19, the individual:

6 (A) Has established at least 20 base weeks as defined in
7 paragraph (2) of subsection (t) of R.S.43:21-19; or

8 (B) Has earned 12 times the Statewide average weekly
9 remuneration paid to workers, as determined under R.S.43:21-3(c),
10 raised to the next higher multiple of \$100.00 if not already a
11 multiple thereof, or more; or

12 (C) Has performed at least 770 hours of service in the
13 production and harvesting of agricultural crops. (Deleted by
14 amendment, P.L. , c.) (pending before the Legislature as this
15 bill).

16 (4) With respect to benefit years commencing on or after
17 January 7, 2001, except as otherwise provided in paragraph (5) of
18 this subsection, the individual has, during his base year as defined
19 in subsection (c) of R.S.43:21-19:

20 (A) Established at least 20 base weeks as defined in paragraphs
21 (2) and (3) of subsection (t) of R.S.43:21-19; or

22 (B) If the individual has not met the requirements of
23 subparagraph (A) of this paragraph (4), earned remuneration not
24 less than an amount 1,000 times the minimum wage in effect
25 pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) on October
26 1 of the calendar year preceding the calendar year in which the
27 benefit year commences, which amount shall be adjusted to the next
28 higher multiple of \$100 if not already a multiple thereof.

29 (5) With respect to benefit years commencing on or after
30 January 7, 2001, notwithstanding the provisions of paragraph (4) of
31 this subsection, an unemployed individual claiming benefits on the
32 basis of service performed in the production and harvesting of
33 agricultural crops shall, subject to the limitations of subsection (i)
34 of R.S.43:21-19, be eligible to receive benefits if during his base
35 year, as defined in subsection (c) of R.S.43:21-19, the individual:

36 (A) Has established at least 20 base weeks as defined in
37 paragraphs (2) and (3) of subsection (t) of R.S.43:21-19; or

38 (B) Has earned remuneration not less than an amount 1,000
39 times the minimum wage in effect pursuant to section 5 of
40 P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year
41 preceding the calendar year in which the benefit year commences,
42 which amount shall be adjusted to the next higher multiple of \$100
43 if not already a multiple thereof; or

44 (C) Has performed at least 770 hours of service in the
45 production and harvesting of agricultural crops.

46 (6) The individual applying for benefits in any successive
47 benefit year has earned at least six times his previous weekly
48 benefit amount and has had four weeks of employment since the

1 beginning of the immediately preceding benefit year. This
2 provision shall be in addition to the earnings requirements specified
3 in paragraph ~~[(2), (3),]~~ (4) or (5) of this subsection, as applicable.

4 (f) (1) The individual has suffered any accident or sickness not
5 compensable under the workers' compensation law, R.S.34:15-1 et
6 seq. and resulting in the individual's total disability to perform any
7 work for remuneration, and would be eligible to receive benefits
8 under this chapter (R.S.43:21-1 et seq.) (without regard to the
9 maximum amount of benefits payable during any benefit year)
10 except for the inability to work and has furnished notice and proof
11 of claim to the division, in accordance with its rules and
12 regulations, and payment is not precluded by the provisions of
13 R.S.43:21-3(d); provided, however, that benefits paid under this
14 subsection (f) shall be computed on the basis of only those base
15 year wages earned by the claimant as a "covered individual," as
16 defined in R.S.43:21-27(b); provided further that no benefits shall
17 be payable under this subsection to any individual:

18 (A) For any period during which such individual is not under the
19 care of a legally licensed physician, dentist, optometrist, podiatrist,
20 practicing psychologist, advanced practice nurse, or chiropractor,
21 who, when requested by the division, shall certify within the scope
22 of the practitioner's practice, the disability of the individual, the
23 probable duration thereof, and, where applicable, the medical facts
24 within the practitioner's knowledge;

25 (B) (Deleted by amendment, P.L.1980, c.90.)

26 (C) For any period of disability due to willfully or intentionally
27 self-inflicted injury, or to injuries sustained in the perpetration by
28 the individual of a crime of the first, second or third degree;

29 (D) For any week with respect to which or a part of which the
30 individual has received or is seeking benefits under any
31 unemployment compensation or disability benefits law of any other
32 state or of the United States; provided that if the appropriate agency
33 of such other state or the United States finally determines that the
34 individual is not entitled to such benefits, this disqualification shall
35 not apply;

36 (E) For any week with respect to which or part of which the
37 individual has received or is seeking disability benefits under the
38 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
39 et seq.);

40 (F) For any period of disability commencing while such
41 individual is a "covered individual," as defined in subsection (b) of
42 section 3 of the "Temporary Disability Benefits Law," P.L.1948,
43 c.110 (C.43:21-27).

44 (2) The individual is taking family temporary disability leave to
45 provide care for a family member with a serious health condition or
46 to be with a child during the first 12 months after the child's birth or
47 placement of the child for adoption with the individual, and the
48 individual would be eligible to receive benefits under R.S.43:21-1

1 et seq. (without regard to the maximum amount of benefits payable
2 during any benefit year) except for the individual's unavailability
3 for work while taking the family temporary disability leave, and the
4 individual has furnished notice and proof of claim to the division, in
5 accordance with its rules and regulations, and payment is not
6 precluded by the provisions of R.S.43:21-3(d) provided, however,
7 that benefits paid under this subsection (f) shall be computed on the
8 basis of only those base year wages earned by the claimant as a
9 "covered individual," as defined in R.S.43:21-27(b); provided
10 further that no benefits shall be payable under this subsection to any
11 individual:

12 (A) For any week with respect to which or a part of which the
13 individual has received or is seeking benefits under any
14 unemployment compensation or disability benefits law of any other
15 state or of the United States; provided that if the appropriate agency
16 of such other state or the United States finally determines that the
17 individual is not entitled to such benefits, this disqualification shall
18 not apply;

19 (B) For any week with respect to which or part of which the
20 individual has received or is seeking disability benefits for a
21 disability of the individual under the "Temporary Disability
22 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.);

23 (C) For any period of family temporary disability leave
24 commencing while the individual is a "covered individual," as
25 defined in subsection (b) of section 3 of the "Temporary Disability
26 Benefits Law," P.L.1948, c.110 (C.43:21-27); or

27 (D) For any period of family temporary disability leave for a
28 serious health condition of a family member of the claimant during
29 which the family member is not receiving inpatient care in a
30 hospital, hospice, or residential medical care facility and is not
31 subject to continuing medical treatment or continuing supervision
32 by a health care provider, who, when requested by the division,
33 shall certify within the scope of the provider's practice, the serious
34 health condition of the family member, the probable duration
35 thereof, and, where applicable, the medical facts within the
36 provider's knowledge.

37 (3) Benefit payments under this subsection (f) shall be charged
38 to and paid from the State disability benefits fund established by the
39 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
40 et seq.), and shall not be charged to any employer account in
41 computing any employer's experience rate for contributions payable
42 under this chapter.

43 (g) Benefits based on service in employment defined in
44 subparagraphs (B) and (C) of R.S.43:21-19 (i)(1) shall be payable
45 in the same amount and on the terms and subject to the same
46 conditions as benefits payable on the basis of other service subject
47 to the "unemployment compensation law"; except that,

1 notwithstanding any other provisions of the "unemployment
2 compensation law":

3 (1) With respect to service performed after December 31, 1977,
4 in an instructional research, or principal administrative capacity for
5 an educational institution, benefits shall not be paid based on such
6 services for any week of unemployment commencing during the
7 period between two successive academic years, or during a similar
8 period between two regular terms, whether or not successive, or
9 during a period of paid sabbatical leave provided for in the
10 individual's contract, to any individual if such individual performs
11 such services in the first of such academic years (or terms) and if
12 there is a contract or a reasonable assurance that such individual
13 will perform services in any such capacity for any educational
14 institution in the second of such academic years or terms;

15 (2) With respect to weeks of unemployment beginning after
16 September 3, 1982, on the basis of service performed in any other
17 capacity for an educational institution, benefits shall not be paid on
18 the basis of such services to any individual for any week which
19 commences during a period between two successive academic years
20 or terms if such individual performs such services in the first of
21 such academic years or terms and there is a reasonable assurance
22 that such individual will perform such services in the second of
23 such academic years or terms, except that if benefits are denied to
24 any individual under this paragraph (2) and the individual was not
25 offered an opportunity to perform these services for the educational
26 institution for the second of any academic years or terms, the
27 individual shall be entitled to a retroactive payment of benefits for
28 each week for which the individual filed a timely claim for benefits
29 and for which benefits were denied solely by reason of this clause;

30 (3) With respect to those services described in paragraphs (1)
31 and (2) above, benefits shall not be paid on the basis of such
32 services to any individual for any week which commences during
33 an established and customary vacation period or holiday recess if
34 such individual performs such services in the period immediately
35 before such vacation period or holiday recess, and there is a
36 reasonable assurance that such individual will perform such
37 services in the period immediately following such period or holiday
38 recess;

39 (4) With respect to any services described in paragraphs (1) and
40 (2) above, benefits shall not be paid as specified in paragraphs (1),
41 (2), and (3) above to any individual who performed those services
42 in an educational institution while in the employ of an educational
43 service agency, and for this purpose the term "educational service
44 agency" means a governmental agency or governmental entity
45 which is established and operated exclusively for the purpose of
46 providing those services to one or more educational institutions.

47 (h) Benefits shall not be paid to any individual on the basis of
48 any services, substantially all of which consist of participating in

1 sports or athletic events or training or preparing to so participate,
2 for any week which commences during the period between two
3 successive sports seasons (or similar periods) if such individual
4 performed such services in the first of such seasons (or similar
5 periods) and there is a reasonable assurance that such individual
6 will perform such services in the later of such seasons (or similar
7 periods).

8 (i) (1) Benefits shall not be paid on the basis of services
9 performed by an alien unless such alien is an individual who was
10 lawfully admitted for permanent residence at the time the services
11 were performed and was lawfully present for the purpose of
12 performing the services or otherwise was permanently residing in
13 the United States under color of law at the time the services were
14 performed (including an alien who is lawfully present in the United
15 States as a result of the application of the provisions of section
16 212(d)(5) (8U.S.C. s.1182 (d)(5)) of the Immigration and
17 Nationality Act (8U.S.C. s.1101 et seq.)); provided that any
18 modifications of the provisions of section 3304(a)(14) of the
19 Federal Unemployment Tax Act (28U.S.C. s.3304 (a)(14)), as
20 provided by Pub.L.94-566, which specify other conditions or other
21 effective dates than stated herein for the denial of benefits based on
22 services performed by aliens and which modifications are required
23 to be implemented under State law as a condition for full tax credit
24 against the tax imposed by the Federal Unemployment Tax Act,
25 shall be deemed applicable under the provisions of this section.

26 (2) Any data or information required of individuals applying for
27 benefits to determine whether benefits are not payable to them
28 because of their alien status shall be uniformly required from all
29 applicants for benefits.

30 (3) In the case of an individual whose application for benefits
31 would otherwise be approved, no determination that benefits to such
32 individual are not payable because of alien status shall be made
33 except upon a preponderance of the evidence.

34 (j) Notwithstanding any other provision of this chapter, the
35 director may, to the extent that it may be deemed efficient and
36 economical, provide for consolidated administration by one or more
37 representatives or deputies of claims made pursuant to subsection
38 (f) of this section with those made pursuant to Article III (State
39 plan) of the "Temporary Disability Benefits Law," P.L.1948, c.110
40 (C.43:21-25 et seq.).
41 (cf: P.L.2006, c.47, s.187)

WJ

42
43 15. R.S.43:21-7 is amended to read as follows:

44 43:21-7. Contributions. Employers other than governmental
45 entities, whose benefit financing provisions are set forth in section 4
46 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
47 liable for payment in lieu of contributions on the basis set forth in
48 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the

1 controller for the unemployment compensation fund, contributions
2 as set forth in subsections (a), (b) and (c) hereof, and the provisions
3 of subsections (d) and (e) shall be applicable to all employers,
4 consistent with the provisions of the "unemployment compensation
5 law" and the "Temporary Disability Benefits Law," P.L.1948, c.110
6 (C.43:21-25 et seq.).

7 (a) Payment.

8 (1) Contributions shall accrue and become payable by each
9 employer for each calendar year in which he is subject to this
10 chapter (R.S.43:21-1 et seq.), with respect to having individuals in
11 his employ during that calendar year, at the rates and on the basis
12 hereinafter set forth. Such contributions shall become due and be
13 paid by each employer to the controller for the fund, in accordance
14 with such regulations as may be prescribed, and shall not be
15 deducted, in whole or in part, from the remuneration of individuals
16 in his employ.

17 (2) In the payment of any contributions, a fractional part of a
18 cent shall be disregarded unless it amounts to \$0.005 or more, in
19 which case it shall be increased to \$0.01.

20 (b) Rate of contributions. Each employer shall pay the
21 following contributions:

22 (1) For the calendar year 1947, and each calendar year
23 thereafter, 2 7/10% of wages paid by him during each such calendar
24 year, except as otherwise prescribed by subsection (c) of this
25 section.

26 (2) The "wages" of any individual, with respect to any one
27 employer, as the term is used in this subsection (b) and in
28 subsections (c), (d) and (e) of this section 7, shall include the first
29 \$4,800.00 paid during calendar year 1975, for services performed
30 either within or without this State; provided that no contribution
31 shall be required by this State with respect to services performed in
32 another state if such other state imposes contribution liability with
33 respect thereto. If an employer (hereinafter referred to as a
34 successor employer) during any calendar year acquires substantially
35 all the property used in a trade or business of another employer
36 (hereinafter referred to as a predecessor), or used in a separate unit
37 of a trade or business of a predecessor, and immediately after the
38 acquisition employs in his trade or business an individual who
39 immediately prior to the acquisition was employed in the trade or
40 business of such predecessors, then, for the purpose of determining
41 whether the successor employer has paid wages with respect to
42 employment equal to the first \$4,800.00 paid during calendar year
43 1975, any wages paid to such individual by such predecessor during
44 such calendar year and prior to such acquisition shall be considered
45 as having been paid by such successor employer.

46 (3) For calendar years beginning on and after January 1, 1976,
47 the "wages" of any individual, as defined in the preceding
48 paragraph (2) of this subsection (b), shall be established and

1 promulgated by the Commissioner of Labor and Workforce
2 Development on or before September 1 of the preceding year and
3 shall be, 28 times the Statewide average weekly remuneration paid
4 to workers by employers, as determined under R.S.43:21-3(c),
5 raised to the next higher multiple of \$100.00 if not already a
6 multiple thereof, provided that if the amount of wages so
7 determined for a calendar year is less than the amount similarly
8 determined for the preceding year, the greater amount will be used;
9 provided, further, that if the amount of such wages so determined
10 does not equal or exceed the amount of wages as defined in
11 subsection (b) of section 3306 of the Federal Unemployment Tax
12 Act, Chapter 23 of the Internal Revenue Code of 1986 (26 U.S.C.
13 s.3306(b)), the wages as determined in this paragraph in any
14 calendar year shall be raised to equal the amount established under
15 the Federal Unemployment Tax Act for that calendar year.

16 (c) Future rates based on benefit experience.

17 (1) A separate account for each employer shall be maintained
18 and this shall be credited with all the contributions which he has
19 paid on his own behalf on or before January 31 of any calendar year
20 with respect to employment occurring in the preceding calendar
21 year; provided, however, that if January 31 of any calendar year
22 falls on a Saturday or Sunday, an employer's account shall be
23 credited as of January 31 of such calendar year with all the
24 contributions which he has paid on or before the next succeeding
25 day which is not a Saturday or Sunday. But nothing in this chapter
26 (R.S.43:21-1 et seq.) shall be construed to grant any employer or
27 individuals in his service prior claims or rights to the amounts paid
28 by him into the fund either on his own behalf or on behalf of such
29 individuals. Benefits paid with respect to benefit years
30 commencing on and after January 1, 1953, to any individual on or
31 before December 31 of any calendar year with respect to
32 unemployment in such calendar year and in preceding calendar
33 years shall be charged against the account or accounts of the
34 employer or employers in whose employment such individual
35 established base weeks constituting the basis of such benefits,
36 except that, with respect to benefit years commencing after January
37 4, 1998, an employer's account shall not be charged for benefits
38 paid to a claimant if the claimant's employment by that employer
39 was ended in any way which, pursuant to subsection (a), (b), (c),
40 (f), (g) or (h) of R.S.43:21-5, would have disqualified the claimant
41 for benefits if the claimant had applied for benefits at the time when
42 that employment ended. Benefits paid under a given benefit
43 determination shall be charged against the account of the employer
44 to whom such determination relates. When each benefit payment is
45 made, either a copy of the benefit check or other form of
46 notification shall be promptly sent to the employer against whose
47 account the benefits are to be charged. Such copy or notification
48 shall identify the employer against whose account the amount of

1 such payment is being charged, shall show at least the name and
2 social security account number of the claimant and shall specify the
3 period of unemployment to which said check applies. If the total
4 amount of benefits paid to a claimant and charged to the account of
5 the appropriate employer exceeds 50% of the total base year, base
6 week wages paid to the claimant by that employer, then such
7 employer shall have canceled from his account such excess benefit
8 charges as specified above.

9 Each employer shall be furnished an annual summary statement
10 of benefits charged to his account.

11 (2) Regulations may be prescribed for the establishment,
12 maintenance, and dissolution of joint accounts by two or more
13 employers, and shall, in accordance with such regulations and upon
14 application by two or more employers to establish such an account,
15 or to merge their several individual accounts in a joint account,
16 maintain such joint account as if it constituted a single employer's
17 account.

18 (3) No employer's rate shall be lower than 5.4% unless
19 assignment of such lower rate is consistent with the conditions
20 applicable to additional credit allowance for such year under section
21 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
22 s.3303(a)(1)), any other provision of this section to the contrary
23 notwithstanding.

24 (4) Employer Reserve Ratio. (A) Each employer's rate shall be
25 $2\frac{8}{10}\%$, except as otherwise provided in the following provisions.
26 No employer's rate for the 12 months commencing July 1 of any
27 calendar year shall be other than $2\frac{8}{10}\%$, unless as of the
28 preceding January 31 such employer shall have paid contributions
29 with respect to wages paid in each of the three calendar years
30 immediately preceding such year, in which case such employer's
31 rate for the 12 months commencing July 1 of any calendar year
32 shall be determined on the basis of his record up to the beginning of
33 such calendar year. If, at the beginning of such calendar year, the
34 total of all his contributions, paid on his own behalf, for all past
35 years exceeds the total benefits charged to his account for all such
36 years, his contribution rate shall be:

37 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
38 5%, of his average annual payroll (as defined in paragraph (2),
39 subsection (a) of R.S.43:21-19);

40 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
41 than 6%, of his average annual payroll;

42 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
43 than 7%, of his average annual payroll;

44 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
45 than 8%, of his average annual payroll;

46 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
47 than 9%, of his average annual payroll;

1 (6) 1%, if such excess equals or exceeds 9%, but is less than
2 10%, of his average annual payroll;

3 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less
4 than 11%, of his average annual payroll;

5 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his
6 average annual payroll.

7 (B) If the total of an employer's contributions, paid on his own
8 behalf, for all past periods for the purposes of this paragraph (4), is
9 less than the total benefits charged against his account during the
10 same period, his rate shall be:

11 (1) 4%, if such excess is less than 10% of his average annual
12 payroll;

13 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
14 than 20%, of his average annual payroll;

15 (3) 4 6/10%, if such excess equals or exceeds 20% of his
16 average annual payroll.

17 (C) Specially assigned rates.

18 (i) If no contributions were paid on wages for employment in
19 any calendar year used in determining the average annual payroll of
20 an employer eligible for an assigned rate under this paragraph (4),
21 the employer's rate shall be specially assigned as follows:

22 if the reserve balance in its account is positive, its assigned rate
23 shall be the highest rate in effect for positive balance accounts for
24 that period, or 5.4%, whichever is higher, and

25 if the reserve balance in its account is negative, its assigned rate
26 shall be the highest rate in effect for deficit accounts for that period.

27 (ii) If, following the purchase of a corporation with little or no
28 activity, known as a corporate shell, the resulting employing unit
29 operates a new or different business activity, the employing unit
30 shall be assigned a new employer rate.

31 (iii) Entities operating under common ownership, management or
32 control, when the operation of the entities is not identifiable,
33 distinguishable and severable, shall be considered a single employer
34 for the purposes of this chapter (R.S. 43:21-1 et seq.).

35 (D) The contribution rates prescribed by subparagraphs (A) and
36 (B) of this paragraph (4) shall be increased or decreased in
37 accordance with the provisions of paragraph (5) of this subsection
38 (c) for experience rating periods through June 30, 1986.

39 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
40 31 of any calendar year the balance in the unemployment trust fund
41 equals or exceeds 4% but is less than 7% of the total taxable wages
42 reported to the controller as of that date in respect to employment
43 during the preceding calendar year, the contribution rate, effective
44 July 1 following, of each employer eligible for a contribution rate
45 calculation based upon benefit experience, shall be increased by
46 3/10 of 1% over the contribution rate otherwise established under
47 the provisions of paragraph (3) or (4) of this subsection. If on
48 March 31 of any calendar year the balance of the unemployment

1 trust fund exceeds 2 1/2% but is less than 4% of the total taxable
2 wages reported to the controller as of that date in respect to
3 employment during the preceding calendar year, the contribution
4 rate, effective July 1 following, of each employer eligible for a
5 contribution rate calculation based upon benefit experience, shall be
6 increased by 6/10 of 1% over the contribution rate otherwise
7 established under the provisions of paragraph (3) or (4) of this
8 subsection.

9 If on March 31 of any calendar year the balance of the
10 unemployment trust fund is less than 2 1/2% of the total taxable
11 wages reported to the controller as of that date in respect to
12 employment during the preceding calendar year, the contribution
13 rate, effective July 1 following, of each employer (1) eligible for a
14 contribution rate calculation based upon benefit experience, shall be
15 increased by (i) 6/10 of 1% over the contribution rate otherwise
16 established under the provisions of paragraph (3), (4)(A) or (4)(B)
17 of this subsection, and (ii) an additional amount equal to 20% of the
18 total rate established herein, provided, however, that the final
19 contribution rate for each employer shall be computed to the nearest
20 multiple of 1/10% if not already a multiple thereof; (2) not eligible
21 for a contribution rate calculation based upon benefit experience,
22 shall be increased by 6/10 of 1% over the contribution rate
23 otherwise established under the provisions of paragraph (4) of this
24 subsection. For the period commencing July 1, 1984 and ending
25 June 30, 1986, the contribution rate for each employer liable to pay
26 contributions under R.S.43:21-7 shall be increased by a factor of
27 10% computed to the nearest multiple of 1/10% if not already a
28 multiple thereof.

29 (B) If on March 31 of any calendar year the balance in the
30 unemployment trust fund equals or exceeds 10% but is less than 12
31 1/2% of the total taxable wages reported to the controller as of that
32 date in respect to employment during the preceding calendar year,
33 the contribution rate, effective July 1 following, of each employer
34 eligible for a contribution rate calculation based upon benefit
35 experience, shall be reduced by 3/10 of 1% under the contribution
36 rate otherwise established under the provisions of paragraphs (3)
37 and (4) of this subsection; provided that in no event shall the
38 contribution rate of any employer be reduced to less than 4/10 of
39 1%. If on March 31 of any calendar year the balance in the
40 unemployment trust fund equals or exceeds 12 1/2% of the total
41 taxable wages reported to the controller as of that date in respect to
42 employment during the preceding calendar year, the contribution
43 rate, effective July 1 following, of each employer eligible for a
44 contribution rate calculation based upon benefit experience, shall be
45 reduced by 6/10 of 1% if his account for all past periods reflects an
46 excess of contributions paid over total benefits charged of 3% or
47 more of his average annual payroll, otherwise by 3/10 of 1% under
48 the contribution rate otherwise established under the provisions of

1 paragraphs (3) and (4) of this subsection; provided that in no event
2 shall the contribution rate of any employer be reduced to less than
3 4/10 of 1%.

4 (C) The "balance" in the unemployment trust fund, as the term is
5 used in subparagraphs (A) and (B) above, shall not include moneys
6 credited to the State's account under section 903 of the Social
7 Security Act, as amended (42 U.S.C.s.1103), during any period in
8 which such moneys are appropriated for the payment of expenses
9 incurred in the administration of the "unemployment compensation
10 law."

11 (D) Prior to July 1 of each calendar year the controller shall
12 determine the Unemployment Trust Reserve Ratio, which shall be
13 calculated by dividing the balance of the unemployment trust fund
14 as of the prior March 31 by total taxable wages reported to the
15 controller by all employers as of March 31 with respect to their
16 employment during the last calendar year.

17 (E) (i)(Deleted by amendment, P.L.1997, c.263).

18 (ii)(Deleted by amendment, P.L.2001, c.152).

19 (iii)(Deleted by amendment, P.L.2003, c.107).

20 (iv)(Deleted by amendment, P.L.2004, c.45).

21 (v) **W**ith respect to the experience rating year beginning on
22 July 1, 2003, the new employer rate or the unemployment
23 experience rate of an employer under this section shall be the rate
24 which appears in the column headed by the Unemployment Trust
25 Fund Reserve Ratio as of the applicable calculation date and on the
26 line with the Employer Reserve Ratio, as defined in paragraph 4 of
27 this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
28 table:

EXPERIENCE RATING TAX TABLE

Fund Reserve Ratio¹

	2.50% and Over A	2.00% to 2.49% B	1.50% to 1.99% C	1.00% to 1.49% D	0.99% and Under E
Employer Reserve Ratio ²					
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

¹Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

²Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages). 】 (Deleted by amendment, P.L. , c.)(pending before the Legislature as this bill)

(vi) With respect to experience rating years beginning on or after July 1, 2004, the new employer rate or the unemployment experience rate of an employer under this section shall be the rate which appears in the column headed by the Unemployment Trust Fund Reserve Ratio as of the applicable calculation date and on the

1 line with the Employer Reserve Ratio, as defined in paragraph 4 of
 2 this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
 3 table:

4
 5 EXPERIENCE RATING TAX TABLE

6 Fund Reserve Ratio¹

7		1.40%	1.00%	0.75%	0.50%	0.49%
8		and	to	to	to	and
9	Employer	Over	1.39%	0.99%	0.74%	Under
10	Reserve					
11	Ratio ²	A	B	C	D	E
12	Positive Reserve Ratio:					
13	17% and over	0.3	0.4	0.5	0.6	1.2
14	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
16	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
17	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
18	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
19	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
20	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
21	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
22	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
23	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
24	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
25	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
26	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
27	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
28	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
29	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
30	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
31	Deficit Reserve Ratio:					
32	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
33	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
34	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
35	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
36	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
37	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
38	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
39	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
40	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
41	-35.00% and under	5.4	5.4	5.8	6.4	7.0
42	New Employer Rate	2.8	2.8	2.8	3.1	3.4

43 ¹Fund balance as of March 31 as a percentage of taxable wages
 44 in the prior calendar year.

45 ²Employer Reserve Ratio (Contributions minus benefits as a
 46 percentage of employer's taxable wages).

47 (F) (i) (Deleted by amendment, P.L.1997, c.263).

1 (ii) [With respect to experience rating years beginning on or
2 after July 1, 1997, if the fund reserve ratio, based on the fund
3 balance as of the prior March 31, is less than 1.00%, the
4 contribution rate for each employer liable to pay contributions, as
5 computed under subparagraph (E) of this paragraph (5), shall be
6 increased by a factor of 10% computed to the nearest multiple of
7 1/10% if not already a multiple thereof.] (Deleted by amendment,
8 P.L. , c.)(pending before the Legislature as this bill)

9 (iii) With respect to experience rating years beginning on or after
10 July 1, 2004, if the fund reserve ratio, based on the fund balance as
11 of the prior March 31, is less than 0.50%, the contribution rate for
12 each employer liable to pay contributions, as computed under
13 subparagraph (E) of this paragraph (5), shall be increased by a
14 factor of 10% computed to the nearest multiple of 1/10% if not
15 already a multiple thereof.

16 (G) On or after January 1, 1993, notwithstanding any other
17 provisions of this paragraph (5), the contribution rate for each
18 employer liable to pay contributions, as computed under
19 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
20 except that, during any experience rating year starting before
21 January 1, 1998 in which the fund reserve ratio is equal to or greater
22 than 7.00% or during any experience rating year starting on or after
23 January 1, 1998, in which the fund reserve ratio is equal to or
24 greater than 3.5%, there shall be no decrease pursuant to this
25 subparagraph (G) in the contribution of any employer who has a
26 deficit reserve ratio of negative 35.00% or under.

27 (H) [On or after January 1, 1993 until December 31, 1993,
28 notwithstanding any other provisions of this paragraph (5), the
29 contribution rate for each employer liable to pay contributions, as
30 computed under subparagraph (E) of this paragraph (5), shall be
31 decreased by a factor of 52.0% computed to the nearest multiple of
32 1/10%, except that, if an employer has a deficit reserve ratio of
33 negative 35.0% or under, the employer's rate of contribution shall
34 not be reduced pursuant to this subparagraph (H) to less than 5.4%.
35 The amount of the reduction in the employer contributions
36 stipulated by this subparagraph (H) shall be in addition to the
37 amount of the reduction in the employer contributions stipulated by
38 subparagraph (G) of this paragraph (5), except that the rate of
39 contribution of an employer who has a deficit reserve ratio of
40 negative 35.0% or under shall not be reduced pursuant to this
41 subparagraph (H) to less than 5.4% and the rate of contribution of
42 any other employer shall not be reduced to less than 0.0%. On or
43 after January 1, 1994 until December 31, 1995, except as provided
44 pursuant to subparagraph (I) of this paragraph (5), notwithstanding
45 any other provisions of this paragraph (5), the contribution rate for
46 each employer liable to pay contributions, as computed under
47 subparagraph (E) of this paragraph (5), shall be decreased by a
48 factor of 36.0% computed to the nearest multiple of 1/10%, except

1 that, if an employer has a deficit reserve ratio of negative 35.0% or
2 under, the employer's rate of contribution shall not be reduced
3 pursuant to this subparagraph (H) to less than 5.4%. The amount of
4 the reduction in the employer contributions stipulated by this
5 subparagraph (H) shall be in addition to the amount of the reduction
6 in the employer contributions stipulated by subparagraph (G) of this
7 paragraph (5), except that the rate of contribution of an employer
8 who has a deficit reserve ratio of negative 35.0% or under shall not
9 be reduced pursuant to this subparagraph (H) to less than 5.4% and
10 the rate of contribution of any other employer shall not be reduced
11 to less than 0.0%.

12 On or after April 1, 1996 until December 31, 1996, the
13 contribution rate for each employer liable to pay contributions, as
14 computed under subparagraph (E) of this paragraph (5), shall be
15 decreased by a factor of 25.0% computed to the nearest multiple of
16 1/10%, except that, if an employer has a deficit reserve ratio of
17 negative 35.0% or under, the employer's rate of contribution shall
18 not be reduced pursuant to this subparagraph (H) to less than 5.4%.
19 The amount of the reduction in the employer contributions
20 stipulated by this subparagraph (H) shall be in addition to the
21 amount of the reduction in the employer contributions stipulated by
22 subparagraph (G) of this paragraph (5), except that the rate of
23 contribution of an employer who has a deficit reserve ratio of
24 negative 35.0% or under shall not be reduced pursuant to this
25 subparagraph (H) to less than 5.4% and the rate of contribution of
26 any other employer shall not be reduced to less than 0.0%.

27 On or after January 1, 1997 until December 31, 1997, the
28 contribution rate for each employer liable to pay contributions, as
29 computed under subparagraph (E) of this paragraph (5), shall be
30 decreased by a factor of 10.0% computed to the nearest multiple of
31 1/10%, except that, if an employer has a deficit reserve ratio of
32 negative 35.0% or under, the employer's rate of contribution shall
33 not be reduced pursuant to this subparagraph (H) to less than 5.4%.
34 The amount of the reduction in the employer contributions
35 stipulated by this subparagraph (H) shall be in addition to the
36 amount of the reduction in the employer contributions stipulated by
37 subparagraph (G) of this paragraph (5), except that the rate of
38 contribution of an employer who has a deficit reserve ratio of
39 negative 35.0% or under shall not be reduced pursuant to this
40 subparagraph (H) to less than 5.4% and the rate of contribution of
41 any other employer shall not be reduced to less than 0.0%.】

42 On and after January 1, 1998 until December 31, 2000 and on or
43 after January 1, 2002 until June 30, 2006, the contribution rate for
44 each employer liable to pay contributions, as computed under
45 subparagraph (E) of this paragraph (5), shall be decreased by a
46 factor, as set out below, computed to the nearest multiple of 1/10%,
47 except that, if an employer has a deficit reserve ratio of negative

1 35.0% or under, the employer's rate of contribution shall not be
2 reduced pursuant to this subparagraph (H) to less than 5.4%:

3 From January 1, 1998 until December 31, 1998, a factor of 12%;
4 From January 1, 1999 until December 31, 1999, a factor of 10%;
5 From January 1, 2000 until December 31, 2000, a factor of 7%;
6 From January 1, 2002 until March 31, 2002, a factor of 36%;
7 From April 1, 2002 until June 30, 2002, a factor of 85%;
8 From July 1, 2002 until June 30, 2003, a factor of 15%;
9 From July 1, 2003 until June 30, 2004, a factor of 15%;
10 From July 1, 2004 until June 30, 2005, a factor of 7%;
11 From July 1, 2005 until December 31, 2005, a factor of 16%; and
12 From January 1, 2006 until June 30, 2006, a factor of 34%.

13 The amount of the reduction in the employer contributions
14 stipulated by this subparagraph (H) shall be in addition to the
15 amount of the reduction in the employer contributions stipulated by
16 subparagraph (G) of this paragraph (5), except that the rate of
17 contribution of an employer who has a deficit reserve ratio of
18 negative 35.0% or under shall not be reduced pursuant to this
19 subparagraph (H) to less than 5.4% and the rate of contribution of
20 any other employer shall not be reduced to less than 0.0%.

21 (I) [If the fund reserve ratio decreases to a level of less than
22 4.00% on March 31 of calendar year 1994 or calendar year 1995,
23 the provisions of subparagraph (H) of this paragraph (5) shall cease
24 to be in effect as of July 1 of that calendar year.

25 If, upon calculating the unemployment compensation fund
26 reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31,
27 1997, March 31, 1998 or March 31, 1999, the controller finds that
28 the fund reserve ratio has decreased to a level of less than 3.00%,
29 the Commissioner of Labor and Workforce Development shall
30 notify the State Treasurer of this fact and of the dollar amount
31 necessary to bring the fund reserve ratio up to a level of 3.00%.
32 The State Treasurer shall, prior to March 31, 1997, March 31, 1998
33 or March 31, 1999, as applicable, transfer from the General Fund to
34 the unemployment compensation fund, revenues in the amount
35 specified by the commissioner and which, upon deposit in the
36 unemployment compensation fund, shall result, upon recalculation,
37 in a fund reserve ratio used to determine employer contributions
38 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of
39 at least 3.00%. If, upon calculating the unemployment
40 compensation fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D)
41 prior to March 31, 2000, the controller finds that the fund reserve
42 ratio has decreased to a level of less than 3.00%, the Commissioner
43 of Labor and Workforce Development shall notify the State
44 Treasurer of this fact and of the dollar amount necessary to bring
45 the fund reserve ratio up to a level of 3.00%. The State Treasurer
46 shall, prior to March 31, 2000, transfer from the General Fund to
47 the unemployment compensation fund, revenues in the amount
48 specified by the commissioner and which, upon deposit in the

1 unemployment compensation fund, shall result, upon recalculation,
2 in a fund reserve ratio used to determine employer contributions
3 beginning July 1, 2000 of at least 3.00%.] (Deleted by amendment,
4 P.L. _____, c. _____)(pending before the Legislature as this bill)

5 (J) On or after July 1, 2001, notwithstanding any other
6 provisions of this paragraph (5), the contribution rate for each
7 employer liable to pay contributions, as computed under
8 subparagraph (E) of this paragraph (5), shall be decreased by
9 0.0175%, except that, during any experience rating year starting on
10 or after July 1, 2001, in which the fund reserve ratio is equal to or
11 greater than 3.5%, there shall be no decrease pursuant to this
12 subparagraph (J) in the contribution of any employer who has a
13 deficit reserve ratio of negative 35.00% or under. The amount of the
14 reduction in the employer contributions stipulated by this
15 subparagraph (J) shall be in addition to the amount of the reduction
16 in the employer contributions stipulated by subparagraphs (G) and
17 (H) of this paragraph (5), except that the rate of contribution of an
18 employer who has a deficit reserve ratio of negative 35.0% or under
19 shall not be reduced pursuant to this subparagraph (J) to less than
20 5.4% and the rate of contribution of any other employer shall not be
21 reduced to less than 0.0%.

22 (6) Additional contributions.

23 Notwithstanding any other provision of law, any employer who
24 has been assigned a contribution rate pursuant to subsection (c) of
25 this section for the year commencing July 1, 1948, and for any year
26 commencing July 1 thereafter, may voluntarily make payment of
27 additional contributions, and upon such payment shall receive a
28 recomputation of the experience rate applicable to such employer,
29 including in the calculation the additional contribution so made,
30 except that, following a transfer as described under R.S.43:21-
31 7(c)(7)(D), neither the predecessor nor successor in interest shall be
32 eligible to make a voluntary payment of additional contributions
33 during the year the transfer occurs and the next full calendar year.
34 Any such additional contribution shall be made during the 30-day
35 period following the date of the mailing to the employer of the
36 notice of his contribution rate as prescribed in this section, unless,
37 for good cause, the time for payment has been extended by the
38 controller for not to exceed an additional 60 days; provided that in
39 no event may such payments which are made later than 120 days
40 after the beginning of the year for which such rates are effective be
41 considered in determining the experience rate for the year in which
42 the payment is made. Any employer receiving any extended period
43 of time within which to make such additional payment and failing
44 to make such payment timely shall be, in addition to the required
45 amount of additional payment, liable for a penalty of 5% thereof or
46 \$5.00, whichever is greater, not to exceed \$50.00. Any adjustment
47 under this subsection shall be made only in the form of credits
48 against accrued or future contributions.

1 (7) Transfers.

2 (A) Upon the transfer of the organization, trade or business, or
3 substantially all the assets of an employer to a successor in interest,
4 whether by merger, consolidation, sale, transfer, descent or
5 otherwise, the controller shall transfer the employment experience
6 of the predecessor employer to the successor in interest, including
7 credit for past years, contributions paid, annual payrolls, benefit
8 charges, et cetera, applicable to such predecessor employer,
9 pursuant to regulation, if it is determined that the employment
10 experience of the predecessor employer with respect to the
11 organization, trade, assets or business which has been transferred
12 may be considered indicative of the future employment experience
13 of the successor in interest. The successor in interest may, within
14 four months of the date of such transfer of the organization, trade,
15 assets or business, or thereafter upon good cause shown, request a
16 reconsideration of the transfer of employment experience of the
17 predecessor employer. The request for reconsideration shall
18 demonstrate, to the satisfaction of the controller, that the
19 employment experience of the predecessor is not indicative of the
20 future employment experience of the successor.

21 (B) An employer who transfers part of his or its organization,
22 trade, assets or business to a successor in interest, whether by
23 merger, consolidation, sale, transfer, descent or otherwise, may
24 jointly make application with such successor in interest for transfer
25 of that portion of the employment experience of the predecessor
26 employer relating to the portion of the organization, trade, assets or
27 business transferred to the successor in interest, including credit for
28 past years, contributions paid, annual payrolls, benefit charges, et
29 cetera, applicable to such predecessor employer. The transfer of
30 employment experience may be allowed pursuant to regulation only
31 if it is found that the employment experience of the predecessor
32 employer with respect to the portion of the organization, trade,
33 assets or business which has been transferred may be considered
34 indicative of the future employment experience of the successor in
35 interest. Credit shall be given to the successor in interest only for
36 the years during which contributions were paid by the predecessor
37 employer with respect to that part of the organization, trade, assets
38 or business transferred.

39 (C) A transfer of the employment experience in whole or in part
40 having become final, the predecessor employer thereafter shall not
41 be entitled to consideration for an adjusted rate based upon his or its
42 experience or the part thereof, as the case may be, which has thus
43 been transferred. A successor in interest to whom employment
44 experience or a part thereof is transferred pursuant to this
45 subsection shall, as of the date of the transfer of the organization,
46 trade, assets or business, or part thereof, immediately become an
47 employer if not theretofore an employer subject to this chapter
48 (R.S.43:21-1 et seq.).

1 (D) If an employer who transfers in whole or in part his or its
2 organization, trade, assets or business to a successor in interest,
3 whether by merger, consolidation, sale, transfer, descent or
4 otherwise and both the employer and successor in interest are at the
5 time of the transfer under common ownership, management or
6 control, then the employment experience attributable to the
7 transferred business shall also be transferred to and combined with
8 the employment experience of the successor in interest. The
9 transfer of the employment experience is mandatory and not subject
10 to appeal or protest.

11 (E) The transfer of part of an employer's employment experience
12 to a successor in interest shall become effective as of the first day of
13 the calendar quarter following the acquisition by the successor in
14 interest. As of the effective date, the successor in interest shall
15 have its employer rate recalculated by merging its existing
16 employment experience, if any, with the employment experience
17 acquired. If the successor in interest is not an employer as of the
18 date of acquisition, it shall be assigned the new employer rate until
19 the effective date of the transfer of employment experience.

20 (F) Upon the transfer in whole or in part of the organization,
21 trade, assets or business to a successor in interest, the employment
22 experience shall not be transferred if the successor in interest is not
23 an employer at the time of the acquisition and the controller finds
24 that the successor in interest acquired the business solely or
25 primarily for the purpose of obtaining a lower rate of contributions.

26 (d) Contributions of workers to the unemployment
27 compensation fund and the State disability benefits fund.

28 (1) (A) For periods after January 1, 1975, each worker shall
29 contribute to the fund 1% of his wages with respect to his
30 employment with an employer, which occurs on and after January
31 1, 1975, after such employer has satisfied the condition set forth in
32 subsection (h) of R.S.43:21-19 with respect to becoming an
33 employer; provided, however, that such contributions shall be at the
34 rate of 1/2 of 1% of wages paid with respect to employment while
35 the worker is in the employ of the State of New Jersey, or any
36 governmental entity or instrumentality which is an employer as
37 defined under R.S.43:21-19(h)(5), or is covered by an approved
38 private plan under the "Temporary Disability Benefits Law" or
39 while the worker is exempt from the provisions of the "Temporary
40 Disability Benefits Law" under section 7 of that law, P.L.1948,
41 c.110 (C.43:21-31).

42 (B) Effective January 1, 1978 there shall be no contributions by
43 workers in the employ of any governmental or nongovernmental
44 employer electing or required to make payments in lieu of
45 contributions unless the employer is covered by the State plan under
46 the "Temporary Disability Benefits Law" (C.43:21-25 et seq.), and
47 in that case contributions shall be at the rate of 1/2 of 1%, except
48 that commencing July 1, 1986, workers in the employ of any

1 nongovernmental employer electing or required to make payments
2 in lieu of contributions shall be required to make contributions to
3 the fund at the same rate prescribed for workers of other
4 nongovernmental employers.

5 (C) (i) Notwithstanding the above provisions of this paragraph
6 (1), during the period starting July 1, 1986 and ending December
7 31, 1992, each worker shall contribute to the fund 1.125% of wages
8 paid with respect to his employment with a governmental employer
9 electing or required to pay contributions or nongovernmental
10 employer, including a nonprofit organization which is an employer
11 as defined under R.S.43:21-19(h)(6), regardless of whether that
12 nonprofit organization elects or is required to finance its benefit
13 costs with contributions to the fund or by payments in lieu of
14 contributions, after that employer has satisfied the conditions set
15 forth in subsection R.S.43:21-19(h) with respect to becoming an
16 employer. Contributions, however, shall be at the rate of 0.625%
17 while the worker is covered by an approved private plan under the
18 "Temporary Disability Benefits Law" while the worker is exempt
19 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
20 other provision of that law; provided that such contributions shall
21 be at the rate of 0.625% of wages paid with respect to employment
22 with the State of New Jersey or any other governmental entity or
23 instrumentality electing or required to make payments in lieu of
24 contributions and which is covered by the State plan under the
25 "Temporary Disability Benefits Law," except that, while the worker
26 is exempt from the provisions of the "Temporary Disability Benefits
27 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or
28 any other provision of that law, or is covered for disability benefits
29 by an approved private plan of the employer, the contributions to
30 the fund shall be 0.125%.

31 (ii) (Deleted by amendment, P.L.1995, c.422.)

32 (D) Notwithstanding any other provisions of this paragraph (1),
33 during the period starting January 1, 1993 and ending June 30,
34 1994, each worker shall contribute to the unemployment
35 compensation fund 0.5% of wages paid with respect to the worker's
36 employment with a governmental employer electing or required to
37 pay contributions or nongovernmental employer, including a
38 nonprofit organization which is an employer as defined under
39 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
40 whether that nonprofit organization elects or is required to finance
41 its benefit costs with contributions to the fund or by payments in
42 lieu of contributions, after that employer has satisfied the conditions
43 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
44 an employer. No contributions, however, shall be made by the
45 worker while the worker is covered by an approved private plan
46 under the "Temporary Disability Benefits Law," P.L.1948, c.110
47 (C.43:21-25 et seq.) or while the worker is exempt under section 7
48 of P.L.1948, c.110 (C.43:21-31) or any other provision of that law;

1 provided that the contributions shall be at the rate of 0.50% of
2 wages paid with respect to employment with the State of New
3 Jersey or any other governmental entity or instrumentality electing
4 or required to make payments in lieu of contributions and which is
5 covered by the State plan under the "Temporary Disability Benefits
6 Law," except that, while the worker is exempt from the provisions
7 of the "Temporary Disability Benefits Law" under section 7 of that
8 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
9 law, or is covered for disability benefits by an approved private plan
10 of the employer, no contributions shall be made to the fund.

11 Each worker shall, starting on January 1, 1996 and ending March
12 31, 1996, contribute to the unemployment compensation fund
13 0.60% of wages paid with respect to the worker's employment with
14 a governmental employer electing or required to pay contributions
15 or nongovernmental employer, including a nonprofit organization
16 which is an employer as defined under paragraph (6) of subsection
17 (h) of R.S.43:21-19, regardless of whether that nonprofit
18 organization elects or is required to finance its benefit costs with
19 contributions to the fund or by payments in lieu of contributions,
20 after that employer has satisfied the conditions set forth in
21 subsection (h) of R.S.43:21-19 with respect to becoming an
22 employer, provided that the contributions shall be at the rate of
23 0.10% of wages paid with respect to employment with the State of
24 New Jersey or any other governmental entity or instrumentality
25 electing or required to make payments in lieu of contributions.

26 Each worker shall, starting on January 1, 1998 and ending
27 December 31, 1998, contribute to the unemployment compensation
28 fund 0.10% of wages paid with respect to the worker's employment
29 with a governmental employer electing or required to pay
30 contributions or nongovernmental employer, including a nonprofit
31 organization which is an employer as defined under paragraph (6)
32 of subsection (h) of R.S.43:21-19, regardless of whether that
33 nonprofit organization elects or is required to finance its benefit
34 costs with contributions to the fund or by payments in lieu of
35 contributions, after that employer has satisfied the conditions set
36 forth in subsection (h) of R.S.43:21-19 with respect to becoming an
37 employer, provided that the contributions shall be at the rate of
38 0.10% of wages paid with respect to employment with the State of
39 New Jersey or any other governmental entity or instrumentality
40 electing or required to make payments in lieu of contributions.

41 Each worker shall, starting on January 1, 1999 until December
42 31, 1999, contribute to the unemployment compensation fund
43 0.15% of wages paid with respect to the worker's employment with
44 a governmental employer electing or required to pay contributions
45 or nongovernmental employer, including a nonprofit organization
46 which is an employer as defined under paragraph (6) of subsection
47 (h) of R.S.43:21-19, regardless of whether that nonprofit
48 organization elects or is required to finance its benefit costs with

1 contributions to the fund or by payments in lieu of contributions,
2 after that employer has satisfied the conditions set forth in
3 subsection (h) of R.S.43:21-19 with respect to becoming an
4 employer, provided that the contributions shall be at the rate of
5 0.10% of wages paid with respect to employment with the State of
6 New Jersey or any other governmental entity or instrumentality
7 electing or required to make payments in lieu of contributions.

8 Each worker shall, starting on January 1, 2000 until December
9 31, 2001, contribute to the unemployment compensation fund
10 0.20% of wages paid with respect to the worker's employment with
11 a governmental employer electing or required to pay contributions
12 or nongovernmental employer, including a nonprofit organization
13 which is an employer as defined under paragraph (6) of subsection
14 (h) of R.S.43:21-19, regardless of whether that nonprofit
15 organization elects or is required to finance its benefit costs with
16 contributions to the fund or by payments in lieu of contributions,
17 after that employer has satisfied the conditions set forth in
18 subsection (h) of R.S.43:21-19 with respect to becoming an
19 employer, provided that the contributions shall be at the rate of
20 0.10% of wages paid with respect to employment with the State of
21 New Jersey or any other governmental entity or instrumentality
22 electing or required to make payments in lieu of contributions.

23 Each worker shall, starting on January 1, 2002 until June 30,
24 2004, contribute to the unemployment compensation fund 0.1825%
25 of wages paid with respect to the worker's employment with a
26 governmental employer electing or required to pay contributions or
27 a nongovernmental employer, including a nonprofit organization
28 which is an employer as defined under paragraph (6) of subsection
29 (h) of R.S.43:21-19, regardless of whether that nonprofit
30 organization elects or is required to finance its benefit costs with
31 contributions to the fund or by payments in lieu of contributions,
32 after that employer has satisfied the conditions set forth in
33 subsection (h) of R.S.43:21-19 with respect to becoming an
34 employer, provided that the contributions shall be at the rate of
35 0.0825% of wages paid with respect to employment with the State
36 of New Jersey or any other governmental entity or instrumentality
37 electing or required to make payments in lieu of contributions.

38 Each worker shall, starting on and after July 1, 2004, contribute
39 to the unemployment compensation fund 0.3825% of wages paid
40 with respect to the worker's employment with a governmental
41 employer electing or required to pay contributions or
42 nongovernmental employer, including a nonprofit organization
43 which is an employer as defined under paragraph (6) of subsection
44 (h) of R.S.43:21-19, regardless of whether that nonprofit
45 organization elects or is required to finance its benefit costs with
46 contributions to the fund or by payments in lieu of contributions,
47 after that employer has satisfied the conditions set forth in
48 subsection (h) of R.S.43:21-19 with respect to becoming an

1 employer, provided that the contributions shall be at the rate of
2 0.0825% of wages paid with respect to employment with the State
3 of New Jersey or any other governmental entity or instrumentality
4 electing or required to make payments in lieu of contributions.

5 (E) Each employer shall, notwithstanding any provision of law
6 in this State to the contrary, withhold in trust the amount of his
7 workers' contributions from their wages at the time such wages are
8 paid, shall show such deduction on his payroll records, shall furnish
9 such evidence thereof to his workers as the division or controller
10 may prescribe, and shall transmit all such contributions, in addition
11 to his own contributions, to the office of the controller in such
12 manner and at such times as may be prescribed. If any employer
13 fails to deduct the contributions of any of his workers at the time
14 their wages are paid, or fails to make a deduction therefor at the
15 time wages are paid for the next succeeding payroll period, he alone
16 shall thereafter be liable for such contributions, and for the purpose
17 of R.S.43:21-14, such contributions shall be treated as employer's
18 contributions required from him.

19 (F) As used in this chapter (R.S.43:21-1 et seq.), except when
20 the context clearly requires otherwise, the term "contributions" shall
21 include the contributions of workers pursuant to this section.

22 (G) (i) Each worker shall, starting on July 1, 1994, contribute to
23 the State disability benefits fund an amount equal to 0.50% of
24 wages paid with respect to the worker's employment with a
25 government employer electing or required to pay contributions to
26 the State disability benefits fund or nongovernmental employer,
27 including a nonprofit organization which is an employer as defined
28 under paragraph (6) of subsection (h) of R.S.43:21-19, unless the
29 employer is covered by an approved private disability plan or is
30 exempt from the provisions of the "Temporary Disability Benefits
31 Law," P.L.1948, c.110 (C.43:21-25 et seq.) under section 7 of that
32 law (C.43:21-31) or any other provision of that law.

33 (ii) Each worker shall contribute to the State disability benefits
34 fund, in addition to any amount contributed pursuant to
35 subparagraph (i) of this paragraph (1)(G), an amount equal to,
36 during calendar year 2009, 0.09%, and during calendar year 2010
37 and each subsequent calendar year, 0.12%, of wages paid with
38 respect to the worker's employment with any covered employer,
39 including a governmental employer which is an employer as defined
40 under R.S.43:21-19(h)(5), unless the employer is covered by an
41 approved private disability plan for benefits during periods of
42 family temporary disability leave. The contributions made pursuant
43 to this subparagraph (ii) to the State disability benefits fund shall be
44 deposited into an account of that fund reserved for the payment of
45 benefits during periods of family temporary disability leave as
46 defined in section 3 of the "Temporary Disability Benefits Law,"
47 P.L.1948, c.110 (C.43:21-27) and for the administration of those
48 payments and shall not be used for any other purpose. This account

1 shall be known as the "Family Temporary Disability Leave
2 Account." Necessary administrative costs shall include the cost of
3 an outreach program to inform employees of the availability of the
4 benefits and the cost of issuing the reports required or permitted
5 pursuant to section 13 of P.L. , c. (C.) (pending before the
6 Legislature as this bill). No monies, other than the funds in the
7 "Family Temporary Disability Leave Account," shall be used for
8 the payment of benefits during periods of family 'temporary'
9 disability leave or for the administration of those payments, with
10 the sole exception that, during calendar years 2008 and 2009, a total
11 amount not exceeding \$25 million may be transferred to that
12 account from the revenues received in the State disability benefits
13 fund pursuant to subparagraph (i) of this paragraph (1)(G) and be
14 expended for those payments and their administration, including the
15 administration of the collection of contributions made pursuant to
16 this subparagraph (ii) and any other necessary administrative costs.
17 Any amount transferred to the account pursuant to this
18 subparagraph (ii) shall be repaid during a period beginning not later
19 than January 1, 2011 and ending not later than December 31, 2015.
20 No monies, other than the funds in the "Family Temporary
21 Disability Leave Account," shall be used under any circumstances
22 after December 31, 2009, for the payment of benefits during periods
23 of family temporary disability leave or for the administration of
24 those payments, including for the administration of the collection of
25 contributions made pursuant to this subparagraph (ii).
26 (2) (A) (Deleted by amendment, P.L.1984, c.24.)
27 (B) (Deleted by amendment, P.L.1984, c.24.)
28 (C) (Deleted by amendment, P.L.1994, c.112.)
29 (D) (Deleted by amendment, P.L.1994, c.112.)
30 (E) (i) (Deleted by amendment, P.L.1994, c.112.)
31 (ii) (Deleted by amendment, P.L.1996, c.28.)
32 (iii) (Deleted by amendment, P.L.1994, c.112.)
33 (3) If an employee receives wages from more than one employer
34 during any calendar year, and either the sum of his contributions
35 deposited in and credited to the State disability benefits fund plus
36 the amount of his contributions, if any, required towards the costs
37 of benefits under one or more approved private plans under the
38 provisions of section 9 of the "Temporary Disability Benefits Law"
39 (C.43:21-33) and deducted from his wages, or the sum of such latter
40 contributions, if the employee is covered during such calendar year
41 only by two or more private plans, exceeds an amount equal to 1/2
42 of 1% of the "wages" determined in accordance with the provisions
43 of R.S.43:21-7(b)(3) during the calendar years beginning on or after
44 January 1, 1976, the employee shall be entitled to a refund of the
45 excess if he makes a claim to the controller within two years after
46 the end of the calendar year in which the wages are received with
47 respect to which the refund is claimed and establishes his right to
48 such refund. Such refund shall be made by the controller from the

1 State disability benefits fund. No interest shall be allowed or paid
2 with respect to any such refund. The controller shall, in accordance
3 with prescribed regulations, determine the portion of the aggregate
4 amount of such refunds made during any calendar year which is
5 applicable to private plans for which deductions were made under
6 section 9 of the "Temporary Disability Benefits Law" (C.43:21-33)
7 such determination to be based upon the ratio of the amount of such
8 wages exempt from contributions to such fund, as provided in
9 subparagraph (B) of paragraph (1) of this subsection with respect to
10 coverage under private plans, to the total wages so exempt plus the
11 amount of such wages subject to contributions to the disability
12 benefits fund, as provided in subparagraph (G) of paragraph (1) of
13 this subsection. The controller shall, in accordance with prescribed
14 regulations, prorate the amount so determined among the applicable
15 private plans in the proportion that the wages covered by each plan
16 bear to the total private plan wages involved in such refunds, and
17 shall assess against and recover from the employer, or the insurer if
18 the insurer has indemnified the employer with respect thereto, the
19 amount so prorated. The provisions of R.S.43:21-14 with respect to
20 collection of employer contributions shall apply to such
21 assessments. The amount so recovered by the controller shall be
22 paid into the State disability benefits fund.

23 (4) If an individual does not receive any wages from the
24 employing unit which for the purposes of this chapter (R.S.43:21-1
25 et seq.) is treated as his employer, or receives his wages from some
26 other employing unit, such employer shall nevertheless be liable for
27 such individual's contributions in the first instance; and after
28 payment thereof such employer may deduct the amount of such
29 contributions from any sums payable by him to such employing
30 unit, or may recover the amount of such contributions from such
31 employing unit, or, in the absence of such an employing unit, from
32 such individual, in a civil action; provided proceedings therefor are
33 instituted within three months after the date on which such
34 contributions are payable. General rules shall be prescribed
35 whereby such an employing unit may recover the amount of such
36 contributions from such individuals in the same manner as if it were
37 the employer.

38 (5) Every employer who has elected to become an employer
39 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an
40 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to
41 the provisions of R.S.43:21-8, shall post and maintain printed
42 notices of such election on his premises, of such design, in such
43 numbers, and at such places as the director may determine to be
44 necessary to give notice thereof to persons in his service.

45 (6) Contributions by workers, payable to the controller as herein
46 provided, shall be exempt from garnishment, attachment, execution,
47 or any other remedy for the collection of debts.

48 (e) Contributions by employers to State disability benefits fund.

1 (1) Except as hereinafter provided, each employer shall, in
2 addition to the contributions required by subsections (a), (b), and
3 (c) of this section, contribute 1/2 of 1% of the wages paid by such
4 employer to workers with respect to employment unless he is not a
5 covered employer as defined in section 3 of the "Temporary
6 Disability Benefits Law" (C.43:21-27 (a)), except that the rate for
7 the State of New Jersey shall be 1/10 of 1% for the calendar year
8 1980 and for the first six months of 1981. Prior to July 1, 1981 and
9 prior to July 1 each year thereafter, the controller shall review the
10 experience accumulated in the account of the State of New Jersey
11 and establish a rate for the next following fiscal year which, in
12 combination with worker contributions, will produce sufficient
13 revenue to keep the account in balance; except that the rate so
14 established shall not be less than 1/10 of 1%. Such contributions
15 shall become due and be paid by the employer to the controller for
16 the State disability benefits fund as established by law, in
17 accordance with such regulations as may be prescribed, and shall
18 not be deducted, in whole or in part, from the remuneration of
19 individuals in his employ. In the payment of any contributions, a
20 fractional part of a cent shall be disregarded unless it amounts to
21 \$0.005 or more, in which case it shall be increased to \$0.01.

22 (2) During the continuance of coverage of a worker by an
23 approved private plan of disability benefits under the "Temporary
24 Disability Benefits Law," the employer shall be exempt from the
25 contributions required by subparagraph (1) above with respect to
26 wages paid to such worker.

27 (3) (A) The rates of contribution as specified in subparagraph
28 (1) above shall be subject to modification as provided herein with
29 respect to employer contributions due on and after July 1, 1951.

30 (B) A separate disability benefits account shall be maintained for
31 each employer required to contribute to the State disability benefits
32 fund and such account shall be credited with contributions
33 deposited in and credited to such fund with respect to employment
34 occurring on and after January 1, 1949. Each employer's account
35 shall be credited with all contributions paid on or before January 31
36 of any calendar year on his own behalf and on behalf of individuals
37 in his service with respect to employment occurring in preceding
38 calendar years; provided, however, that if January 31 of any
39 calendar year falls on a Saturday or Sunday an employer's account
40 shall be credited as of January 31 of such calendar year with all the
41 contributions which he has paid on or before the next succeeding
42 day which is not a Saturday or Sunday. But nothing in this act shall
43 be construed to grant any employer or individuals in his service
44 prior claims or rights to the amounts paid by him to the fund either
45 on his own behalf or on behalf of such individuals. Benefits paid to
46 any covered individual in accordance with Article III of the
47 "Temporary Disability Benefits Law" on or before December 31 of
48 any calendar year with respect to disability in such calendar year

1 and in preceding calendar years shall be charged against the account
2 of the employer by whom such individual was employed at the
3 commencement of such disability or by whom he was last
4 employed, if out of employment.

5 (C) The controller may prescribe regulations for the
6 establishment, maintenance, and dissolution of joint accounts by
7 two or more employers, and shall, in accordance with such
8 regulations and upon application by two or more employers to
9 establish such an account, or to merge their several individual
10 accounts in a joint account, maintain such joint account as if it
11 constituted a single employer's account.

12 (D) Prior to July 1 of each calendar year, the controller shall
13 make a preliminary determination of the rate of contribution for the
14 12 months commencing on such July 1 for each employer subject to
15 the contribution requirements of this subsection (e).

16 (1) Such preliminary rate shall be $\frac{1}{2}$ of 1% unless on the
17 preceding January 31 of such year such employer shall have been a
18 covered employer who has paid contributions to the State disability
19 benefits fund with respect to employment in the three calendar
20 years immediately preceding such year.

21 (2) If the minimum requirements in (1) above have been
22 fulfilled and the credited contributions exceed the benefits charged
23 by more than \$500.00, such preliminary rate shall be as follows:

24 (i) $\frac{2}{10}$ of 1% if such excess over \$500.00 exceeds 1% but is
25 less than $1\frac{1}{4}\%$ of his average annual payroll as defined in this
26 chapter (R.S.43:21-1 et seq.);

27 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
28 $1\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

29 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds $1\frac{1}{2}\%$ of his average annual payroll.

31 (3) If the minimum requirements in (1) above have been
32 fulfilled and the contributions credited exceed the benefits charged
33 but by not more than \$500.00 plus 1% of his average annual
34 payroll, or if the benefits charged exceed the contributions credited
35 but by not more than \$500.00, the preliminary rate shall be $\frac{1}{4}$ of
36 1%.

37 (4) If the minimum requirements in (1) above have been
38 fulfilled and the benefits charged exceed the contributions credited
39 by more than \$500.00, such preliminary rate shall be as follows:

40 (i) $\frac{35}{100}$ of 1% if such excess over \$500.00 is less than $\frac{1}{4}$ of
41 1% of his average annual payroll;

42 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
43 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

44 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
45 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

46 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
47 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

1 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
2 1% of his average annual payroll.

3 (5) Determination of the preliminary rate as specified in (2), (3)
4 and (4) above shall be subject, however, to the condition that it
5 shall in no event be decreased by more than 1/10 of 1% of wages or
6 increased by more than 2/10 of 1% of wages from the preliminary
7 rate determined for the preceding year in accordance with (1), (2),
8 (3) or (4), whichever shall have been applicable.

9 (E) (1) Prior to July 1 of each calendar year the controller shall
10 determine the amount of the State disability benefits fund as of
11 December 31 of the preceding calendar year, increased by the
12 contributions paid thereto during January of the current calendar
13 year with respect to employment occurring in the preceding
14 calendar year. If such amount exceeds the net amount withdrawn
15 from the unemployment trust fund pursuant to section 23 of the
16 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47)
17 plus the amount at the end of such preceding calendar year of the
18 unemployment disability account as defined in section 22 of said
19 law (C.43:21-46), such excess shall be expressed as a percentage of
20 the wages on which contributions were paid to the State disability
21 benefits fund on or before January 31 with respect to employment
22 in the preceding calendar year.

23 (2) The controller shall then make a final determination of the
24 rates of contribution for the 12 months commencing July 1 of such
25 year for employers whose preliminary rates are determined as
26 provided in (D) hereof, as follows:

27 (i) If the percentage determined in accordance with paragraph
28 (E)(1) of this subsection equals or exceeds 1 1/4%, the final
29 employer rates shall be the preliminary rates determined as
30 provided in (D) hereof, except that if the employer's preliminary
31 rate is determined as provided in (D)(2) or (D)(3) hereof, the final
32 employer rate shall be the preliminary employer rate decreased by
33 such percentage of excess taken to the nearest 5/100 of 1%, but in
34 no case shall such final rate be less than 1/10 of 1%.

35 (ii) If the percentage determined in accordance with paragraph
36 (E)(1) of this subsection equals or exceeds 3/4 of 1% and is less
37 than 1 1/4 of 1%, the final employer rates shall be the preliminary
38 employer rates.

39 (iii) If the percentage determined in accordance with paragraph
40 (E)(1) of this subsection is less than 3/4 of 1%, but in excess of 1/4
41 of 1%, the final employer rates shall be the preliminary employer
42 rates determined as provided in (D) hereof increased by the
43 difference between 3/4 of 1% and such percentage taken to the
44 nearest 5/100 of 1%; provided, however, that no such final rate
45 shall be more than 1/4 of 1% in the case of an employer whose
46 preliminary rate is determined as provided in (D)(2) hereof, more
47 than 1/2 of 1% in the case of an employer whose preliminary rate is
48 determined as provided in (D)(1) and (D)(3) hereof, nor more than

1 3/4 of 1% in the case of an employer whose preliminary rate is
2 determined as provided in (D)(4) hereof.

3 (iv) If the amount of the State disability benefits fund determined
4 as provided in paragraph (E)(1) of this subsection is equal to or less
5 than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case of
6 an employer whose preliminary rate is determined as provided in
7 (D)(2) hereof, 7/10 of 1% in the case of an employer whose
8 preliminary rate is determined as provided in (D)(1) and (D)(3)
9 hereof, and 1.1% in the case of an employer whose preliminary rate
10 is determined as provided in (D)(4) hereof. Notwithstanding any
11 other provision of law or any determination made by the controller
12 with respect to any 12-month period commencing on July 1, 1970,
13 the final rates for all employers for the period beginning January 1,
14 1971, shall be as set forth herein.

15 (F) Notwithstanding any other provisions of this subsection (e),
16 the rate of contribution paid to the State disability benefits fund by
17 each covered employer as defined in paragraph (1) of subsection (a)
18 of section 3 of P.L.1948, c.110 (C.43:21-27), shall be determined as
19 if:

20 (i) No disability benefits have been paid with respect to periods
21 of family temporary disability leave; 'and']'

22 (ii) No worker paid any contributions to the State disability
23 benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of
24 this section'; and

25 (3) No amounts were transferred from the State disability
26 benefits funds to the "Family Temporary Disability Leave Account"
27 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section'.

28 (cf: P.L.2005, c.249, s.1)

29

30 16. (New Section) Gross income shall not include benefits for
31 family temporary disability leave paid pursuant to P.L.1948, c.110
32 (C.43:21-25 et seq.) and P.L. ,c. (C.) (pending before the
33 Legislature as this bill).

34

35 17. This act shall take effect immediately.



State of Wisconsin
2013 - 2014 LEGISLATURE

IN 2/14
5:00



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multiplied by the number of days
of family leave taken
that week

gen cat

- 1 AN ACT ...; relating to: paid family leave, granting rule-making authority, and
- 2 making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, an employer, including the state, employing at least 50 individuals on a permanent basis in this state (employer) must permit an employee who has been employed by the employer for more than 52 consecutive weeks and who has worked for the employer for at least 1,000 hours during the preceding 52-week period (employee) to take six weeks of family leave in a 12-month period. Family leave may be taken for the birth or adoptive placement of a new child or to care for a child, spouse, domestic partner, or parent who has a serious health condition. An employee is not entitled to receive wages or salary while taking family leave, but may substitute, for portions of family leave, other types of paid or unpaid leave provided by the employer.

This bill creates a family leave benefits program, to be administered by the Department of Workforce Development (DWD), under which an employee who is on family leave is eligible to receive family leave benefits from the family leave benefits trust fund created under the bill (fund) in the amount of two-thirds of the employee's average weekly earnings, subject to a maximum of 53 percent of the state's average weekly earnings as of June 30 of the previous year, or, for a fractional week, one-seventh of the employee's weekly benefit amount.

Under the bill, family leave benefits are payable beginning on the first day of the second week of family leave and are payable for each subsequent day of family leave. If, however, family leave benefits become payable on any day after the first three weeks of an employee's family leave, family leave benefits are also payable with respect to the first week of the employee's family leave. No family leave benefits are

payable for any period of family leave in which the employee is substituting paid or unpaid leave of any other type provided by the employer or in which the employee is receiving unemployment benefits or worker's compensation benefits.

The bill requires each employee to contribute to the fund an amount equal to 0.09 percent of the employee's wages in 2015, an amount equal to 0.12 percent of the employee's wages in 2016, and, in 2017 and subsequent years, a percentage of the employee's wages, as determined by DWD, that is sufficient to obtain a total contribution to the fund from all employees equal to 125 percent of the family leave benefits paid during the preceding year plus 100 percent of the cost of administering the payment of those benefits during the preceding year, less the balance in the fund as of December 31 of the preceding year. The bill requires DWD to collect those contributions from the employee's employer in the same manner as DWD collects contributions to the unemployment reserve fund under current law.

Finally, the bill permits an employee whose claim for family leave benefits is denied by DWD to request a hearing on the denial and requires DWD to process the request for a hearing in the same manner that requests for hearing on unemployment insurance claims are processed under current law. If DWD pays family leave benefits to an employee and later discovers that the payment was made in error or pays family leave benefits to a person who made a false statement or representation to obtain benefits that are payable to another person, the bill permits DWD to recover the erroneous payment in the same manner that DWD recovers erroneous payments of unemployment insurance benefits under current law.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.445 (1) (fr) of the statutes is created to read:

20.445 (1) (fr) *Family leave benefits program; initial costs.* A sum sufficient to be transferred to the family leave benefits trust fund under s. 25.52 for the initial establishment and administration of the family leave benefits program under s. 103.10 (5m) and for the payment of family leave benefits under s. 103.10 (5m) (b). No moneys may be expended or encumbered from this appropriation after December 31, 2015.

SECTION 2. 20.445 (1) (w) of the statutes is created to read:

20.445 (1) (w) *Family leave benefits trust fund*. From the family leave benefits trust fund, all moneys transferred to that fund under par. (fr) for the payment of benefits under s. 103.10 (5m) (b) and for the administration of the family leave benefits program prior to January 1, 2016, and all moneys deposited in that fund under s. 103.10 (5m) (f) 2. for the payment of benefits under s. 103.10 (5m) (b) and for the administration of the family leave benefits program beginning on January 1, 2016, and for repayment of the amounts transferred to this appropriation account, under par. (fr).

SECTION 3. 25.17 (1) (er) of the statutes is created to read:

25.17 (1) (er) Family leave benefits trust fund (s. 25.52);

SECTION 4. 25.52 of the statutes is created to read:

25.52 Family leave benefits trust fund. There is established a separate nonlapsible trust fund designated as the family leave benefits trust fund, to consist of all moneys transferred to that fund under s. 20.445 (1) (fr) and all moneys deposited in that fund under s. 103.10 (5m) (f) 2.

SECTION 5. 103.10 (5m) of the statutes is created to read:

103.10 (5m) FAMILY LEAVE BENEFITS. (a) *Definitions*. In this section:

1. "Average weekly earnings" means the average weekly earnings of an employee as calculated under s. 102.11.

2. "Family leave benefits" means family leave benefits payable under this subsection from the family leave benefits trust fund.

(b) *Eligibility for benefits*. An employee who is taking family leave under sub. (3) is eligible to receive family leave benefits in the amount specified in par. (c), for the duration specified in par. (d), and subject to the limitations specified in par. (e).

To receive family leave benefits, an employee must file a claim for those benefits

1 within such time and in such manner as the department may prescribe by rule. On
2 receipt of a claim for family leave benefits, the department may request from the
3 claimant's employer such information as may be necessary for the department to
4 determine the claimant's eligibility for those benefits and the amount and duration
5 of those benefits, and the employer shall provide that information to the department
6 within such time ^{and} in such manner as the department may prescribe by rule. If the
7 department determines that a claimant is eligible to receive family leave benefits,
8 the department shall provide those benefits to the claimant as provided in pars. (c)
9 to (e).

10 (c) *Amount of benefits.* The amount of family leave benefits for a week of family
11 leave for which those benefits are payable is two-thirds of the employee's average
12 weekly earnings, subject to a maximum of 53 percent of the state's average weekly
13 earnings as determined under s. 108.05 as of June 30 of the previous year, rounded
14 down to the nearest dollar. The amount of family leave benefits for a fractional week
15 of family leave for which those benefits are payable is one-seventh of the employee's
16 weekly benefit amount, rounded down to the nearest dollar.

17 (d) *Duration of benefits.* Except as provided in this paragraph, no family leave
18 benefits are payable for the first week of an employee's family leave. Family leave
19 benefits are payable beginning on the first day of the 2nd week of family leave and
20 are payable for each subsequent day of family leave. If family leave benefits become
21 payable on any day after the first 3 weeks of an employee's family leave, family leave
22 benefits shall also be payable with respect to the first week of the employee's family
23 leave.

24 (e) *Limitations of benefits.* No family leave benefits are payable for any period
25 of family leave in which the employee is substituting paid or unpaid leave of any

1 other type provided by the employer as provided in sub. (5) (b) or in which the
2 employee is receiving unemployment benefits under ch. 108 or worker's
3 compensation benefits under ch. 102.

4 (f) *Family leave benefits trust fund.* 1. Each employee shall contribute to the
5 family leave benefits trust fund an amount equal to 0.09 percent of the employee's
6 wages in 2015, an amount equal to 0.12 percent of the employee's wages in 2016, and,
7 in 2017 and subsequent years, a percentage of the employee's wages, as determined
8 by the department, that is sufficient to obtain a total contribution to that fund from
9 all employees equal to 125 percent of the family leave benefits paid during the
10 preceding year plus 100 percent of the cost of administering the payment of those
11 benefits during the preceding year, less the balance in that fund as of December 31
12 of the preceding year. The department shall collect those contributions from the
13 employee's employer in the same manner as the department collects contributions
14 to the unemployment reserve fund under ss. 108.17 and 108.18.

15 2. Contributions received under subd. 1. shall be deposited in the family leave
16 benefits trust fund and credited to the appropriation account under s. 20.445 (1) (w).
17 From that appropriation, the secretary shall transfer to the general fund an amount
18 equal to the amount expended from the appropriation under s. 20.445 (1) (fr) when
19 the secretary determines that the balance in the family leave benefits trust fund is
20 sufficient to make the transfer. The secretary may transfer that amount in
21 installments.

22 3. Annually, by June 1, the secretary shall submit a report to the joint
23 committee on finance on the amounts available for transfer under subd. 2., the
24 amounts previously transferred under subd. 2., and the outstanding balance that
25 remains to be transferred under subd. 2.

1 (g) *Denial of claims; overpayments.* 1. An employee whose claim for family
2 leave benefits is denied by the department may request a hearing on the denial, and
3 the department shall process the request for a hearing in the same manner that
4 requests for hearings on unemployment insurance claims are processed under s.
5 108.09.

6 2. If the department pays family leave benefits to an employee and later
7 discovers that the payment was made in error or pays family leave benefits to a
8 person who made a false statement or representation to obtain benefits that are
9 payable to another person, the department may recover the erroneous payment in
10 the same manner that the department recovers erroneous payments of
11 unemployment insurance benefits under ss. 108.09[✓], 108.22[✓] (8), and 108.22[✓]5.

12 (h) *Rules.* The department shall promulgate rules to implement this
13 subsection.

14 **SECTION 6. Initial applicability.**

15 (1) FAMILY LEAVE BENEFITS TRUST FUND CONTRIBUTIONS. Except as provided in *
16 subsection (3), the treatment of section 103.10 (5m) (f) 1. of the statutes first applies
17 to wages earned on January 1, 2015.

18 (2) FAMILY LEAVE BENEFITS ELIGIBILITY. Except as provided in subsection (3), the
19 treatment of section 103.10 (5m) (b) of the statutes first applies to a period of family
20 leave under s. 103.10[✓] (3) of the statutes commencing on July 1, 2015.

21 A.R.a. (3) COLLECTIVE BARGAINING AGREEMENTS. This act first applies to an employee
22 who is affected by a collective bargaining agreement that contains provisions
23 inconsistent with this act on the day on which the collective bargaining agreement
24 expires or is extended, modified, or renewed.

25 (END)

Parisi, Lori

From: McCarthy, Tom
Sent: Tuesday, March 04, 2014 10:06 AM
To: LRB.Legal
Subject: Draft Review: LRB -4275/1 Topic: Paid family leave

Please Jacket LRB -4275/1 for the ASSEMBLY.